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October 21, 1997

HAND DELIVERY

Mr. David Waddell **Executive Secretary** Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, TN 37243-0505

Re:

Universal Service Generic Contested Case

Docket No. 97-00888

Dear Mr. Waddell:

Enclosed for filing in the above-referenced case are the original and thirteen copies of the Comments of Time Warner Communications of the Mid-South, L.P. and the Tennessee Cable Telecommunications Association on Technical Conference Issues Presented October 14, 1997.

Copies are being served on counsel for known interested parties.

Very truly yours,

FARRIS, MATHEWS, GILMAN, BRANAN & HELLEN, P.L.C.

By:

CBW,jr:lh

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BEFORE THE TENNESSEE REGULATORY AUTHORITY NASHVILLE, TENNESSEE

In Re:

'07 997 21 AN 11 49

UNIVERSAL SERVICE GENERIC CONTESTED CASE

Docket No. 97-00888

COMMENTS OF TIME WARNER COMMUNICATIONS OF THE MID-SOUTH, L.P. AND THE TENNESSEE CABLE TELECOMMUNICATIONS ASSOCIATION ON TECHNICAL CONFERENCE ISSUES PRESENTED OCTOBER 14, 1997

Time Warner Communications of the Mid-South, L.P. ("Time Warner") and the Tennessee Cable Telecommunications Association ("TCTA") submit the following comments at the request of the Tennessee Regulatory Authority ("TRA") staff on specific issues presented at the Technical Conference held on October 14, 1997.

1. New Issues. Time Warner and the TCTA submit that New Issues 8d & e, 9a and f-k are appropriate for consideration in this proceeding and should be submitted to the TRA for decision. These parties submit that Issue 15 is inappropriate and should be deleted from the list of issues in this proceeding. Time Warner has previously recommended that the Universal Service and Access Charge Reform Dockets should proceed concurrently, but the dockets should be maintained distinctly separate. Possibly, it would be more convenient for the purpose of scheduling to recess the Universal Service Proceeding to conduct the hearing on Access Charge Reform at the appropriate time. (A similar procedure was employed in the AT&T/BellSouth Arbitration to determine avoidable costs for resale in making a final determination on the required wholesale discount rate.) If Access Charge Reform issues are blended into Phase II of

the Universal Service Proceeding, access charges could be artificially impacted as an accommodation to Universal Service cost demands. These issues should be decided separately on their own merits, much in the same manner as was done at the FCC.

- 2. <u>Settlement.</u> Time Warner and the TCTA believe that all or most of the issues in Items 1, 2, 3, 4, 5, 6, 10 and 12 could be settled by agreement between the parties prior to hearing. Any of these issues, or their subparts, remaining unresolved by agreement should be submitted for consideration on written comments or briefs as policy issues without the necessity of testimony. Issues No. 11 and 14 are likely to be contested, however, these issues and their subparts should be considered on briefs only without testimony, as they are policy and legal issues respectively.
- 3. <u>Contested Issues</u>. Issues No. 7, 8, 9 and 13 more than likely will be contested and will require expert testimony. Time Warner will be prepared to offer a witness through prefiled direct and rebuttal testimony and will offer its witness for cross-examination at the hearing.
- 4. Phase II Issues. Time Warner and the TCTA are satisfied that Phase II issues have been satisfactory identified, at least preliminarily. After the TRA enters its decision in Phase I, it will probably be necessary to reconsider these issues for expansion, additions or deletions as might be appropriate at that time. Time Warner and/or the TCTA will be prepared to deliver their response to Issue 16 on or before November 14, 1997.
- 5. Phase I and II Scheduling. Time Warner and the TCTA believe that the proposed schedules for Phase I and Phase II are reasonable assuming it is necessary for final orders to be entered in this docket by May 5, 1998. Since the TRA has made its determination that it is impossible to comply with the February 6, 1998 FCC deadline for submitting a

Tennessee specific cost model, it would seem that the interest of the parties and the consumers of this State would be better served by extending the time for completion of the process, if necessary, to allow for ample opportunity to develop a compromised consensus among the parties.

6. <u>Access Charge Reform Issues</u>. Time Warner and the TCTA will be prepared to submit a list of Access Charge Reform Issues to be considered in conjunction with Phase II Issues by November 14, 1997, if the TRA ultimately decides it is appropriate to blend consideration of these issues. (See remarks in Paragraph 1 of these comments).

Respectfully submitted,

FARRIS, MATHEWS, GILMAN, BRANAN & HELLEN, P.L.C.

By:

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CERTIFICATE OF SERVICE

I, Charles B. Welch, Jr., hereby certify that I have served a copy of the foregoing Comments of Time Warner Communications of the Mid-South, L.P. and the Tennessee Cable Telecommunications Association on Technical Conference Issues Presented October 14, 1997 to the interested parties on the attached list by depositing copy of same in the U. S. Mail, postage prepaid, or by hand-delivery this the 21st day of October, 1997.

CHARLES B. WELCH, JR.

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